



## United States Department of the Interior

### BUREAU OF OCEAN ENERGY MANAGEMENT

Gulf of Mexico OCS Region  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394

In Reply Refer To: MS GM 266A  
OCS-G 3302A

JUN 27 2019

Delfin Offshore Pipeline LLC  
1100 Louisiana Street, Suite 3100  
Houston, TX 77002  
Attn: William Daughdrill

Dear Mr. Daughdrill:

Your letter dated June 19, 2019, requesting cancellation of Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. K09380012, in the amount of \$690,000, was received by our office on June 21, 2019. This bond, conditioned to cover Right-of-Way OCS-G 3302A, was executed on March 29, 2016, with Delfin Offshore Pipeline LLC as principal and Westchester Fire Insurance Company as surety.

Attached to and forming a part of Bond No. K09380012, is Increase Surety Rider, executed on January 5, 2018, which increases the bond amount by \$160,500 for a total penal sum of \$850,500. The rider is effective November 17, 2017.

We are unable to grant your request at this time. Before this bond can be cancelled the Office of Natural Resources Revenue requires that the new Right-of-Way (G29394) be covered by supplemental bonding. When this has been corrected you may resubmit your request.

Should you need further assistance, please contact Kathleen Lee at (504) 736-5774 or [boemgomrfinancialassurance@boem.gov](mailto:boemgomrfinancialassurance@boem.gov).

Sincerely,

Susan Vaughan, Section Chief  
~~Leasing and~~ Financial Responsibility Section  
Leasing and Plans

cc: Westchester Fire Insurance Company  
436 Walnut Street  
Philadelphia, PA 19106  
Attn: Terri L. Morrison

Sent Via Email To: [w.daughdrill@delfinlng.com](mailto:w.daughdrill@delfinlng.com), [carolyn.e.wheeler@marsh.com](mailto:carolyn.e.wheeler@marsh.com)

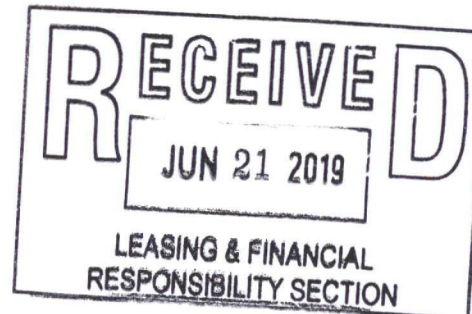


**Delfin Offshore Pipeline LLC**

1100 Louisiana Street, Suite 3100  
Houston, TX 77002

June 19, 2019

Ms. Erin O'Reilly  
Chief, Leasing and Financial Responsibility Section  
Mail Stop GM266A  
Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2394



Reference: Delfin Offshore Pipeline LLC (Gulf of Mexico Company Number 408)  
Pipeline Right-of-Way OCS-G 03302A  
Request for Cancellation of Supplemental Bond K09380012 for \$850,500

Dear Ms. O'Reilly:

Delfin Offshore Pipeline LLC (Delfin) requests that the Bureau of Ocean Energy Management (BOEM) cancel bond number K09380012 in the amount of \$850,500 covering the abandonment of pipeline Right-of-Way (ROW) OCS-G 03302A. A copy of this bond is attached for your information and summarized below:

Bond type: Supplemental  
Bond number: K09380012  
Bond amount: \$850,500  
Principal: Delfin Offshore Pipeline LLC  
Surety: Westchester Fire Insurance Company  
Execution date: April 4, 2016  
Requested action: Cancellation

By letter dated March 8, 2018, the Bureau of Safety and Environmental Enforcement notified Delfin that ROW OCS-G 03302A was expired. Delfin subsequently applied for and was granted a new pipeline ROW (identical to OCS-G 03302A) under ROW OCS-G 29394. Accordingly, Delfin requests that bond K09380012 in the amount of \$850,500 be cancelled immediately in that the covered ROW number no longer exists. We will immediately thereafter establish a bond for the new BOEM required amount of \$831,143 for ROW OCS-G 29394.

By way of background, please note that the existing 42" diameter natural gas pipeline associated with ROW OCS-G 29394 (formerly OCS-G 03302A) is in an inactive status. The pipeline was purged, isolated, and dry packed with nitrogen between WC167 (offshore) and Transco Station 44 (onshore)



Bureau of Ocean Energy Management  
Chief, Leasing and Financial Responsibility Section  
June 19, 2019  
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during 2012 in compliance with applicable regulations. Thereafter, the pipeline was included as a component in the Delfin LNG deepwater port license application, serving as one leg of the natural gas supply source for a proposed offshore liquefied natural gas (LNG) facility to be located in the vicinity of WC-327. Delfin continues to work with the U.S. Coast Guard and the Maritime Administration on the proposed Delfin LNG deepwater port project. As such, ROW OCS-G 29394 remains essential to our project development plans.

All correspondence and inquiries concerning this request should be directed to the undersigned via e-mail at [w.daughdrill@delfinlng.com](mailto:w.daughdrill@delfinlng.com) or by telephone at (850) 933-1720.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "William Daughdrill", written over a large, stylized blue wave graphic that is part of the Delfin LNG branding.

William Daughdrill  
President  
Delfin Offshore Pipeline LLC  
1100 Louisiana Street, Suite 3100  
Houston, TX 77002  
[w.daughdrill@delfinlng.com](mailto:w.daughdrill@delfinlng.com)

Enclosure: PDF Copy of Supplemental Bond K09380012 for OCS-G 03302A

Cc: Ms. Carolyn E. Wheeler  
Marsh USA Inc.  
1111 Northshore Drive  
Suite N-550  
Knoxville, TN 37919  
[Carolyn.E.Wheeler@marsh.com](mailto:Carolyn.E.Wheeler@marsh.com)